

# Bureau of Engraving and Printing

## Mission Statement

To design and manufacture high quality security documents that meet customer requirements for quality, quantity and performance, including counterfeit deterrence.

## Program Summary by Budget Activity

Dollars in Thousands

	FY 2007	FY 2008	FY 2009		
Bureau of Engraving and Printing	Obligated	Estimated	Estimated	\$ Change	% Change
Manufacturing	\$493,000	\$469,000	\$497,500	\$28,500	6.08%
Protection and Accountability of Assets	63,000	62,000	62,000	0	0.00%
<b>Total Resources</b>	<b>\$556,000</b>	<b>\$531,000</b>	<b>\$559,500</b>	<b>\$28,500</b>	<b>5.37%</b>

## FY 2009 Priorities

- The continued re-tooling and retrofitting of the currency production process which will allow BEP to integrate to a 50-subject (notes per sheet) manufacturing capability from the current 32-subject (notes per sheet) currency production process. This new equipment will ensure that the BEP continues to operate in an efficient and cost-effective manner.
- The introduction of a new \$100 note. The new \$100 notes will contain enhanced security features including subtle background colors as well as a new overt counterfeit deterrent feature. The Federal Reserve will determine when the new note is issued to the public. The new notes are part of the current multi-year initiative to implement the most ambitious currency redesign in United States history.
- Continue process improvements as required of an ISO 9001 certified organization, a designation that indicates to current and prospective customers that the Bureau employs a rigorous quality management program.
- Continue to work with the Advanced Counterfeit Deterrent Committee and other Government agencies to research and develop state-of-the-art counterfeit deterrent features for use in future currency notes that will enhance and protect future notes.

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## **Section 1 – Purpose**

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### **1A – Description of Bureau Vision and Priorities**

The mission of the Bureau of Engraving and Printing is to design and manufacture high quality security documents that deter counterfeiting and meet customer requirements for quality, quantity and performance.

The Bureau of Engraving and Printing began printing currency in 1862. The Bureau operates on the basis of authority conferred upon the Secretary of the Treasury by 31 U.S.C. 321(a) (4) to engrave and print currency and other security documents. Operations are financed by a means of a revolving fund established in 1950 in accordance with Public Law 81-656. This fund is reimbursed through product sales for direct and indirect costs of operations including administrative expenses. In 1977, Public Law 95-81 authorized the Bureau to include an amount sufficient to fund capital investment and to meet working capital requirements in the prices charged for products. This eliminated the need for appropriations from Congress.

The Bureau's vision is to maintain its position as a world-class securities printer providing its customers and the public superior products through excellence in manufacturing and technological innovation. The Bureau strives to produce U.S. currency of the highest quality, as well as many other security documents issued by the federal Government. Other activities at the Bureau include engraving plates and dies; manufacturing inks used to print security products; purchasing materials, supplies and equipment; and storing and delivering products in accordance with the requirements of customers. In addition, the Bureau provides technical assistance and advice to other federal agencies in the design and production of documents, which, because of their innate value or other characteristics, require counterfeit deterrence.

The Bureau's top priorities for FY 2009 include the continued re-tooling and retrofitting of the currency production process which will allow the BEP to integrate to a 50-subject (notes per sheet) manufacturing capability from the current 32-subject (notes per sheet) currency production process. This new equipment will ensure that the BEP continues to operate in an efficient and cost-effective manner. Another top priority for FY 2009 is the introduction of a new \$100 note. The new \$100 notes will contain enhanced security features including subtle background colors as well as a new overt counterfeit deterrent feature. The Federal Reserve will determine when the new note is issued to the public. Background colors help consumers, particularly those who are visually impaired, to tell the denominations apart. Because aggressive law enforcement, effective design, and public education are all essential components of a concerted anti-counterfeiting program, the Bureau will continue its work with the Advanced Counterfeit Deterrent Committee to research and develop future currency designs that will enhance and protect future notes.

Manufacturing – The Bureau of Engraving and Printing manufactures high quality security documents that deter counterfeiting while supporting commerce through safe and secure U. S. notes. These products are grouped into two programs: Federal Reserve notes and other security documents.

Protection and Accountability of Assets – The Bureau’s Protection and Accountability of Assets activity supports the Department of the Treasury’s strategic objective, Trust and Confidence in U.S. Currency Worldwide. Because of the value of the products manufactured, the Bureau must maintain an accurate and cost effective system of accountability for all Bureau products, which will ensure that products are accounted for while in production and that its customers receive the correct quantity of the product ordered. The protection and accountability of assets is a joint effort crossing many divisions within the Bureau; products are tracked and accounted for at every step of the production process. The primary mission of the Bureau’s Office of Security is to preserve the integrity of and safeguard critical Bureau resources and assets such as personnel, products, facilities and equipment.

### **1B – Program History and Future Outlook**

Redesigned Federal Reserve Notes: The Bureau of Engraving and Printing has a long term commitment to develop state-of-the-art counterfeit deterrent features for use in future currency notes through new, more innovative technologies. The Bureau expects to redesign United States currency every seven to ten years in an effort to stay ahead of counterfeiters as advances in technology make counterfeiting of currency less difficult. The Advanced Counterfeit Deterrent Steering Committee, which includes members from BEP, other Department of the Treasury officials, the United States Secret Service, and the Federal Reserve Board, is continually researching counterfeit deterrent features for possible use in future currency designs that will enhance and protect future notes from counterfeiting. Aggressive law enforcement, an effective design, and public education are all essential components of a concerted anti-counterfeiting program. The United States government continues to enhance the security of our nation's currency in an effort to provide the public with safe and secure notes and information which instills public confidence in order to enable commerce.

In FY 2008, production of a redesigned \$5 note will begin and it will be placed in circulation later in the year. The redesigned \$5 was the fourth denomination in the new currency series that incorporated enhanced security features, as well as subtle background colors and symbols of freedom into the designs. This note was selected to be redesigned at this time because ongoing scrutiny of counterfeiting techniques detected a pattern where counterfeiters bleached the ink off of old \$5 notes, and then printed counterfeit \$100 notes on the paper. The public was deceived because of similarities between the placement of the security features on the \$5 and \$100 notes. While these counterfeit attempts posed no significant economic problems, Treasury and Federal Reserve officials determined that a redesign of the \$5 would help ensure such problems would not develop in the future. A redesigned \$100 note is scheduled to be in production in FY 2009.

Public Education: Because the improved security features in the redesigned currency are most effective when the public knows about and uses the features to authenticate their currency, a broad, public education program is crucial to the anti-counterfeiting effort. In cooperation with the Federal Reserve, BEP administers a public education program to support the introduction of new currency designs. The program offers public education

and training materials to the public in order to inform them about the latest currency designs. These materials are also available on line and can be downloaded from [www.moneyfactory.gov/newmoney](http://www.moneyfactory.gov/newmoney). The site has received over 222 million hits since its launch in May 2003 and gets about 280,000 unique visitors each month.

The goal of this program is to build an adequate threshold of awareness to support commerce and ensure seamless, "business as usual" transitions as new currency designs are introduced to the public. Overall, counterfeiting of U.S. currency remains at low levels – due primarily to a combination of improvements in the notes' security features, aggressive law enforcement and public education efforts. Statistics continue to indicate that the amount of counterfeit U.S. currency worldwide is less than one percent of genuine U.S. currency in circulation.

An education campaign will be conducted for the new \$100 notes following the successful campaigns for the redesigned \$20, \$50, \$10 and \$5 notes. No domestic paid advertising will be used to introduce the new notes, but paid media of some nature may prove necessary in certain foreign markets. \$100 notes comprise more than 50 percent of outstanding United States currency, an estimated two-thirds which is held outside the United States borders. This education program ensures that people all over the world accept, recognize and use the enhanced security features of the new currency.

Quality: Along with innovative, cutting-edge designs, BEP will maintain its focus on producing high quality security products in the most cost effective manner possible. It will continue to pursue process improvements as required of an ISO 9001 certified organization, a designation that indicates to current and prospective customers that the Bureau employs a rigorous quality management program. Continuous process improvements will be the catalyst for world class quality and improved cost performance through streamlined processes and low spoilage. In FY 2007, the BEP attained ISO 14001 certification for its environmental management systems institutionalizing its commitment to sound environmental stewardship.

Cost Reduction Efforts: The Bureau strives to provide its customers with superior products for the lowest possible price. The BEP continuously looks for ways to cut costs without compromising quality. Significant capital investments are planned in FY 2008 and FY 2009 that will enhance productivity and reduce spoilage. During FY 2006 the Bureau streamlined the organization by realigning and grouping similar functions together. This has improved efficiency, reduced response time, and facilitated currency redesign efforts.

Improvements in image inspection technology have led to the development of sophisticated inspection systems that BEP uses in its currency manufacturing processes. These systems use a proprietary software package to provide real time inspection of printed work. The Bureau's investment in automated inspection systems has proven to be more cost effective than the system it replaced. It has also afforded BEP some flexibility in redeploying resources to other areas while enhancing its capability of delivering a high quality product.

BEP's success would not be possible without the contributions of its people. The Bureau remains strongly committed to the continued streamlining and development of its workforce through an array of career development programs tailored to the demand and skill requirements of a high-technology workplace. In FY 2008, BEP plans to perform a skills assessment of its workforce in preparation for the installation of new manufacturing technology and to prepare for the anticipated wave of baby-boomer retirements. Strategic investment in people and technology will continue to be critical factors in maintaining the Bureau's status as a world class securities manufacturer.

## Section 2 – Budget Adjustments and Appropriation Language

### 2.2 – Operating Levels Table

Dollars in Thousands

Bureau: Bureau of Engraving and Printing	FY 2007 Obligated	FY 2008 Estimated	FY 2009 Estimated
<b>FTE</b>	<b>2,109</b>	<b>2,200</b>	<b>2,150</b>
<b>Object Classification:</b>			
11.1 - Full-time permanent	161,500	166,200	168,300
11.3 - Other than full-time permanent	0	0	0
11.5 - Other personnel compensation	13,000	11,900	13,000
11.8 - Special personal services payments	0	0	0
12 - Personnel benefits	46,000	46,500	47,000
13 - Benefits for former personnel	0	0	0
21 - Travel and transportation of persons	1,750	1,900	1,900
22 - Transportation of things	150	100	100
23.1 - Rental payments to GSA	2,000	2,000	2,000
23.2 - Rental payments to others	1,000	1,000	1,000
23.3 - Comm, utilities, and misc charges	12,000	12,500	15,000
24 - Printing and reproduction	800	800	800
25 - Other contractual Services	0	0	0
25.1 - Advisory and assistance services	4,500	4,500	4,600
25.2 - Other services	44,000	45,000	51,000
25.3 - Other purchases of goods and services from Govt. accounts	0	0	0
25.4 - Operation and maintenance of facilities	8,200	8,500	8,700
25.5 - Research and development contracts	3,000	3,000	3,000
25.6 - Medical care	0	0	0
25.7 - Operation and maintenance of equip	7,000	7,000	7,000
25.8 - Subsistence and support of persons	0	0	0
26 - Supplies and materials	171,000	155,000	176,000
31 - Equipment	80,000	65,000	60,000
32 - Land and structures	0	0	0
33 - Investments and loans	0	0	0
41 - Grants, subsidies, and contributions	0	0	0
42 - Insurance claims and indemnities	100	100	100
43 - Interest and dividends	0	0	0
44 - Refunds	0	0	0
<b>Total Budget Authority</b>	<b>\$556,000</b>	<b>\$531,000</b>	<b>\$559,500</b>
<b>Budget Activities:</b>			
Manufacturing	493,000	469,000	497,500
Protection and Accountability of Assets	63,000	62,000	62,000
<b>Total Budget Authority</b>	<b>\$556,000</b>	<b>\$531,000</b>	<b>\$559,500</b>

## 2.3 – Resource Detail Table

Dollars in Thousands

Description	FY 2007		FY 2008		FY 2009		% Change FY 2007 to FY 2008
	Actual		Estimated		Estimated		
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	
<b>Revenue:</b>							
Federal Reserve Notes		\$572,700		\$532,000		\$562,000	5.6%
Other Security Products		5,400		6,000		6,000	0.0%
<b>Total Revenue</b>		<b>\$578,100</b>		<b>\$538,000</b>		<b>\$568,000</b>	<b>5.6%</b>
<b>Expenses:</b>							
Direct Manufacturing	1800		1700		1650		-2.9%
Paper and Ink		\$171,000		\$160,000		\$180,000	12.5%
Direct Labor		32,000		31,500		31,000	-1.6%
Other Direct Mfg Costs		7,000		7,500		7,500	0.0%
<b>Subtotal Direct Manufacturing Costs</b>		<b>210,000</b>		<b>199,000</b>		<b>218,500</b>	<b>9.8%</b>
Indirect Manufacturing Support	500	259,500	500	269,000	500	278,000	3.3%
<b>Total Manufacturing Activity Costs</b>		<b>469,500</b>		<b>468,000</b>		<b>496,500</b>	<b>6.1%</b>
Total Protection & Accountability of Assets Activity Costs		62,300		63,000		63,000	0.0%
<b>Total Expenses</b>		<b>\$531,800</b>		<b>\$531,000</b>		<b>\$559,500</b>	<b>5.4%</b>
<b>Net Results</b>		<b>\$46,300</b>		<b>\$7,000</b>		<b>\$8,500</b>	<b>21.4%</b>
<b>Federal Reserve Notes Manufactured (in Billions)</b>		<b>9.1</b>		<b>8.3</b>		<b>9.3</b>	<b>12.0%</b>

## 2B – Appropriations Language and Explanation of Changes

BEP receives no appropriated funds from Congress.

## 2C – Legislative Proposals

BEP has no legislative proposals for FY 2009.

### Section 3 – Budget and Performance Plan

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This table lists all FY 2009 resources by strategic goal, objective and outcome outlined in the FY 2007-2012 Treasury Department Strategic Plan. The Treasury Strategic Plan is a corporate level plan for the Department that provides a description of what the agency intends to accomplish over the next five years.

For detailed information about the FY 2007-2012 Treasury Strategic Plan, please go to: [http://www.treasury.gov/offices/management/budget/strategic\\_plan.shtml](http://www.treasury.gov/offices/management/budget/strategic_plan.shtml)

#### 3.1 – Budget by Strategic Outcome

Dollars in Thousands

TREASURY Strategic Outcome	FY 2008 Estimated AMOUNT	FY 2009 Estimated AMOUNT	Percent Change AMOUNT
U.S. notes & coins	531,000	559,500	5.4%
<b>Total</b>	<b>\$531,000</b>	<b>\$559,500</b>	<b>5.4%</b>

**3A – Manufacturing** (*\$497,500,000 from reimbursable programs*): BEP manufactures high quality security documents that deter counterfeiting. These manufactured products are grouped into two programs: Federal Reserve notes and other security documents. The Bureau’s Manufacturing Activity supports Treasury’s strategic objective, Trust and Confidence in U.S. Currency Worldwide.

BEP uses the latest technologies for security printing and processing, including automated inspection equipment used in the production of the nation’s currency. The Bureau’s production equipment is operated by highly skilled craft personnel that have developed their unique skills through multi-year apprenticeship programs.

The manufacturing of state-of-the-art currency deters counterfeiting, contributes to public confidence, and facilitates daily commerce ensuring seamless, "business as usual" transitions as new currency designs are introduced to the public.

In FY 2007, the Bureau delivered 9.1 billion Federal Reserve Notes to the Federal Reserve Banks. The currency order was fulfilled on schedule, at lower cost than anticipated. The Federal Reserve has ordered 8.3 billion notes for delivery in FY 2008 and their order is estimated at 9.3 billion notes for FY 2009 based on their projections of currency demand.

### 3.2.1 – Manufacturing Budget and Performance Plan

Manufacturing Budget Activity					
Resource Level	FY 2005 Obligated	FY 2006 Obligated	FY 2007 Obligated	FY 2008 Estimated	FY 2009 Estimated
Appropriated Resources	\$0	\$0	\$0	\$0	\$0
Reimbursable Resources	\$436,000	\$445,000	\$493,000	\$469,000	\$497,500
<b>Total Resources</b>	<b>\$436,000</b>	<b>\$445,000</b>	<b>\$493,000</b>	<b>\$469,000</b>	<b>\$497,500</b>

<b>Budget Activity Total</b>	<b>\$436,000</b>	<b>\$445,000</b>	<b>\$493,000</b>	<b>\$469,000</b>	<b>\$497,500</b>
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Manufacturing Budget Activity					
Measure	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2009 Target
Manufacturing costs for currency (dollar costs per thousand notes produced) (\$) (E)	\$28.83	\$27.71	\$28.71	\$33	\$34
Percent of currency notes delivered to the Federal Reserve that meet customer quality requirements (%) (Oe)	99.9%	99.9%	100%	99.9%	99.9%

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Cust. Satisfaction

#### *Description of Performance:*

Manufacturing Costs for Currency (dollar cost per 1,000 notes produced) is an indicator of manufacturing efficiency and effectiveness of program management. This measure is based on contracted price factors, and anticipated productivity improvements. Actual performance against standard depends on BEP's ability to meet annual spoilage, efficiency, and capacity utilization goals. Performance against this measure has been favorable for the past seven years.

Percent of Currency Notes Delivered to the Federal Reserve that meet customer quality requirements has an annual target of 99.9 percent. The Bureau has met or exceeded this target for the last three years as indicated. BEP's ability to consistently meet this annual target enables commerce by ensuring that currency notes delivered will work the first time and every time in day-to-day financial transactions.

**3B – Protection and Accountability of Assets** (\$62,000,000 from reimbursable programs): The purpose of the Bureau's Protection and Accountability of Assets Activity is to provide effective and efficient security and accountability during the manufacture and delivery of United States currency to the Federal Reserve, as well as protect thousands of BEP employees and contractors, facilities and equipment. The activity supports Treasury's strategic objective, Trust and confidence in U.S. Currency Worldwide. BEP's ability to provide product security and accountability during the manufacture and delivery of currency notes preserves the integrity of the nation's currency.

The value of what the Bureau produces requires it to have the highest standards of accountability and control available. The Bureau must maintain an accurate and cost effective system of accountability for all Bureau products which will ensure that products are accounted for while in production and that customers receive the correct quantity of

products ordered. The protection and accountability of assets is a joint effort crossing many divisions within the Bureau; products are tracked and accounted for at every step of the production process.

The Bureau’s annual financial statement audit represents an assessment by an independent, certified public accounting firm of the integrity of the Bureau’s revolving fund and the reliability of the financial data used for managerial decision making. Successful financial reporting at the Bureau is a joint effort that requires coordination between financial management, operations, and information technology personnel, as well as close coordination with the independent, certified public accounting firm contracted to perform the annual audit and the Office of Inspector General, which oversees their work. In addition, the Bureau’s Office of Security’s primary mission is to preserve the integrity of and safeguard critical Bureau resources and assets such as personnel, products, plant facilities and equipment.

### 3.2.2 – Protection and Accountability of Assets Budget and Performance Plan

Protection and Accountability of Assets					
Budget Activity					
Resource Level	FY 2005 Obligated	FY 2006 Obligated	FY 2007 Obligated	FY 2008 Estimated	FY 2009 Estimated
Appropriated Resources	\$0	\$0	\$0	\$0	\$0
Reimbursable Resources	\$56,000	\$61,000	\$63,000	\$62,000	\$62,000
<b>Total Resources</b>	<b>\$56,000</b>	<b>\$61,000</b>	<b>\$63,000</b>	<b>\$62,000</b>	<b>\$62,000</b>
<b>Budget Activity Total</b>					
	<b>\$56,000</b>	<b>\$61,000</b>	<b>\$63,000</b>	<b>\$62,000</b>	<b>\$62,000</b>

Protection and Accountability of Assets					
Budget Activity					
Measure	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2009 Target
Security costs per 1000 notes delivered (\$) (E)	\$5.75	\$6	\$5.92	\$5.65	\$5.5
Currency shipment discrepancies per million notes (%) (Oe)	0%	0.01%	0.01%	0.01%	0.01%

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Cust. Satisfaction

#### *Description of Performance:*

Currency Shipment Discrepancies is an indicator of the Bureau’s ability to provide effective product security and accountability. This measure refers to product overages or underages of as little as a single currency note in shipments of finished notes to the Federal Reserve Banks. This target is very difficult to achieve, given the amount of currency notes produced and the speed at which the notes are processed. However, BEP continually strives to meet its long term goal of 0 percent, and has been able to do so several times. For several years, this measure has had an annual target of .01 percent. The Bureau has been able to meet or exceed this target on a regular basis.

The measure security cost per 1000 notes delivered. This measure reflects the cost of providing product security. The measure is kept at the lowest level possible without compromising the security posture of the Bureau. BEP strives to reduce the target on an

annual basis through a combination of competitive sourcing initiatives, leveraging of the best practices of other federal law enforcement agencies, targeted system investments, and improvements in facility design that incorporate security attributes.

For detailed information about each performance measure, including definition, verification and validation, please go to:

<http://www.treasury.gov/offices/management/dcfo/accountability-reports/2007-par.shtml>

## **Section 4 – Supporting Materials**

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### **4A – Human Capital Strategy Description**

To best position the Bureau of Engraving and Printing for the future, the Bureau completed a functional realignment of its organizational structure in early FY 2007. The realignment streamlined the organization and the Bureau has benefited from the synergies created. FY's 2008/2009 human capital strategy includes:

- Use of pay incentive flexibilities to retain unique expertise that enables the Bureau to meet its goals;
- Expansion of the BEP Telework program enhancing employee work life and increasing work flexibilities that benefit employee recruitment and retention programs;
- Mission critical training for all Bureau employees is documented in the “BEP Master Training Plan.” In collaboration with management, mission critical training was identified and made available to all Bureau employees. Training is on-going;
- Management’s annual performance goals and accomplishment of strategic goals are directly linked to the achievement of organizational goals;
- All employee performance plans include core elements directly linked to organizational goals;
- BEP’s Senior Management Service Candidate Development Program reflects the Bureaus’ commitment to provide equal opportunities at the highest management levels and improve succession planning; and
- Completing a skills assessment survey to identify and target skill gaps and prepare for the wave of baby-boomer retirements.

## 4.1 – Summary of IT Resources Table

Dollars in Thousands

Information Technology Investments		FY 2006 & Earlier Enacted	FY 2007 Enacted	FY 2008 Likely Enacted	% Change from FY07 to FY08	FY 2009 Requested	% Change from FY08 to FY09
Major IT Investments/Funding Source	Budget Activity						
<b>Subtotal, Major IT Investments</b>		0 \$0	0 \$0	0 \$0	0% 0%	0 \$0	0% 0%
<b>Non-Major IT Investments Technology<sup>1</sup></b>							
Manufacturing Support Systems	Manufacturing	1.6	1.2	1.4	17%	1.6	14%
Public Sales System	N/A	0.61	0.63	0.78	24%	0.8	3%
WebTA	N/A	0.04	0.02	0.07	250%	0.08	14%
<b>Subtotal, Non-Major IT Investments</b>		\$2.25	\$1.85	\$2.25	290%	\$2.48	31%
<b>Infrastructure Investments<sup>2</sup></b>		0	0	0	0%	0	0%
BEP Data Ctr. Sys. & Serv. (for Consolidation)	Manufacturing	3.6	3	5.7	90%	6	5%
BEP End User Sys. & Serv. (for Consolidation)	Manufacturing	3.8	3.1	6.2	100%	6.5	5%
BEP Telecommunications (for Consolidation)	Manufacturing	0.51	0.45	0.3	-33%	0.3	0%
BEP Infrastructure Security (for Consolidation)	Protection and Accountability	1.4	1.8	0	-100%	0	0%
<b>Subtotal, Infrastructure Investments</b>		\$9.31	\$8.35	\$12.20	57%	\$12.80	10%
<b>Enterprise Architecture</b>	N/A	0.271	0.02	0.05	-100%	0.03	-40%
<b>Subtotal, Enterprise Architecture Investments</b>		\$0.27	\$0.02	\$0.05	-100%	\$0.03	-40%
<b>IT Investments</b>		\$11.83	\$10.22	\$14.50	247%	\$15.31	1%

Note<sup>1</sup>: In FY 2005 and prior years, costs for these systems were included in BEP's Infrastructure and Office Automation programs.

Note<sup>2</sup>: Infrastructure funding is consolidated into the Treasury Departmental Integrated IT Infrastructure Exhibit 300.

#### **4B – Information Technology Strategy**

Information Technology (IT) and IT-Embedded Investments are fully aligned with the Department of the Treasury's and BEP's Strategic Plan to support the technical development and manufacturing of Federal Reserve notes.

Major Investments: BEP has no planned independent major investments. BEP participates as a partner in significant Treasury-wide enterprise level investments such as T/Net (Treasury's implementation of General Services Administration's (GSA) Network), Homeland Security Presidential Directive -12 (again through Treasury's partnership with GSA), HRConnect (an Human Resources Line of Business service provider) and Internet Protocol version 6.

Non-Major Investments: BEP adheres to the Treasury's Capital Planning and Investment Control (CPIC) program as well as BEP's own IT CPIC processes. Limited additional non-major investments are planned to garner savings in administrative costs and provide organizational efficiencies.

Infrastructure Investments: Appropriately categorized as part of Treasury Optimized Enterprise IT Infrastructure.

Enterprise Architecture: It is the policy of the Bureau to implement and comply with the requirements of the Clinger-Cohen Act, the Government Performance and Results Act, the Federal Information Security Reform Act, Office of Management and Budget (OMB) Circular A-130, "Management of Federal Information Resources," OMB Circular A-11, Part 7, and associated Capital Programming Guide, and all applicable Federal Enterprise Architecture guidance issued by OMB, to include both the Federal Enterprise Architecture and associated reference models.

#### 4.2 – PART Evaluation Table

<b>PART Name:</b>	<b>New Currency Manufacturing</b>
Year PARTed:	2005
Rating	Effective
<b>OMB Major Findings/Recommendations</b>	
<ol style="list-style-type: none"> <li>1. The program's New Currency program has a clear purpose, is well planned, and is managed effectively.</li> <li>2. The program met the initial production and timeline goals of its New Currency program with the rollout of the new \$20 bill in 2003.</li> <li>3. The program has adequate long-term targets and timeframes, including planned rollouts of counterfeit deterrent features for use in future generation notes through the next seven to ten years.</li> </ol>	
<b>Bureau Actions Planned or Underway</b>	
<ol style="list-style-type: none"> <li>1. Working closely with the Advanced Counterfeit Steering Committee to identify and evaluate future counterfeit deterrent designs.</li> <li>2. Continuing to work with the Advanced Counterfeit Deterrent Steering Committee to assess impact of New Currency on counterfeiting performance measures across government.</li> <li>3. Monitoring its design and overhead costs related to the manufacture of New Currency to ensure the most efficient production and distribution of future denominations.</li> </ol>	

<b>PART Name:</b>	<b>Protection and Accountability</b>
Year PARTed:	2006
Rating	Effective
<b>OMB Major Findings/Recommendations</b>	
<ol style="list-style-type: none"> <li>1. This program is on track to reduce security costs by 43 percent from 2006 to 2012.</li> <li>2. This program maintains high consistency and reliability standards, demonstrated by its ISO 9001 certification.</li> <li>3. Guarding against theft is a priority of this program.</li> </ol>	
<b>Bureau Actions Planned or Underway</b>	
<ol style="list-style-type: none"> <li>1. Performing in-depth, annual assessments of the program's security and accountability by an internal group not associated with the program and contracting with an outside group on a two-to-three-year cycle.</li> <li>2. Ensuring that proper accountability and security features are identified and addressed during each stage of acquisition and installation of new equipment.</li> <li>3. Updating and revising the Bureau's strategic plan; the new plan will focus on enhancing the Protection and Accountability program.</li> </ol>	

For a complete list of PART results visit the following website:  
<http://www.whitehouse.gov/omb/expectmore/all.html>